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INTELLIGENCE MEMORANDUM

CONSEQUENCES OF A MILITARY COUP IN CHILE

Summary

The abortive military revolt on 29 June capped a period of sharply rising political tensions. Its repercussions have further strained the fabric of Chilean society and threaten to overwhelm what is left of the military and civilian commitment to constitutionality and democratic processes after almost three years of political polarization.

President Allende appears to be trying to defuse the situation, but his own supporters are proving nearly as troublesome as his opponents. At the same time, increasing number of military officers are coming to believe that, if the armed forces cannot correct what is wrong with Chile by forcing Allende to find a political solution, they may have to take matters into their own hands.

This memorandum discusses the dynamics of the current situation, suggests several possible outcomes, and examines some consequences for the US that would arise from a successful military coup.

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It looked, last March, like a promising year for Allende. His Popular Unity coalition came through with 43 percent of the vote in nationwide congressional elections. The six-percent increase in the coalition's total over the 1970 presidential returns was a psychological victory for Allende, and he appeared eager to press ahead with his plans for "building socialism."

After the election, however, new socialist initiatives prompted the opposition Christian Democratic and National parties to harden their positions. They began to challenge the government with increasing frequency and severity.

At the same time, a significant realignment was taking place within Allende's governing coalition that was to have an almost immediate effect on his ability to maneuver. The Communist Party, reevaluating its strategy of caution and compromise, decided that it was futile to seek a dialogue with the Christian Democrats when the opposition was seeking to bring down the government. The Communists concluded that Allende's failure to deal firmly with the opposition was damaging the coalition, and they joined the Socialists in pushing for a tougher stand. This shift eroded Allende's ability to play off one party against the other for his own ends.

Political tensions rose sharply during May and June as a prolonged strike by copper workers put further strains on Chile's battered economy. As supporters and opponents of the government tested their strength in the streets of the capital, Allende tried to ease tensions by coaxing the military back into the cabinet. But he could not come up with a formula that would meet the military's stiff preconditions and yet be acceptable to UP leaders.

The last week in June was a watershed. On 29 June, a group of relatively low-level coup plotters in an armored battalion launched an attack on the presidential palace. The uprising was put down less than three hours after it began by loyal forces under the direct command of Army Commander Prats and other pro-government generals.

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The abortive revolt was a wild gamble on the part of a small group of plotters who hoped other units would join the rebellion once the shooting started. Ironically, the military as a whole may have emerged with its image of defender of constitutional order enhanced.

Initially it appeared that the government's success in putting down the revolt might be just the boost Allende needed to manipulate the military back into the cabinet, strengthen his hand vis-a-vis the Socialists and Communists, and deal decisively with the opposition.

The military, however, refused to budge from its insistence that it will return to the cabinet only if given the power to make policy changes. Allende was forced to name a new cabinet made up of civilians. The Socialists, Communists, and extreme Leftist groups began pressing Allende to take over the factories their workers occupied on the day of the abortive revolt. In addition, they started to distribute weapons to their followers in preparation for what they apparently see as inevitable conflict with the military and the opposition parties. The illegal arms issue in turn has rallied the opposition back to the attack, with some rightwing groups hoping that nationwide strikes and terrorist action will provoke the military into taking over the government.

This trend of events has left the armed forces more troubled than ever. The military have been concerned over the regime's manifest intent to impose Marxist teachings in the schools, the existence of paramilitary forces, and the occupation of factories. They are particularly disturbed over the stepped-up arming of the government's civilian supporters and by attempts to subvert military discipline. Serious coup plotting, dating from well before the maverick attempt of 29 June, continues among certain officers in the three services. The plotters' main problem -- still unsolved -- has been to ensure the cooperation of key army units in Santiago. The feeling that something must be done to relieve the nation's problems seems to be spreading, especially in the navy and air force where ranking officers reportedly are under intense pressure from their juniors to act.

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While there is increasingly open coup talk in navy and air force circles, there is also recognition of the need for army support. Army Commander Prats remains the prime obstacle. He is so strongly opposed to a coup that he reportedly has told troops to disobey their commanders if they are ordered to participate in any move against the government. None of the plotters appears to have a viable scheme for getting around Prats, but the present level of tension is such that another desperation move, possibly directed against Prats as well as the government, is a continuing possibility.

A Look Ahead

The course of events over the next few months may take a new turn, or -- in typically Chilean fashion -- the crisis may simply continue. A protracted period of political unrest is a distinct possibility; even deterioration into civil war cannot be ruled out. Some break in the crisis seems more likely, however. This could come in several ways, ranging from a political "solution" relieving tensions but solving nothing, to a military takeover bringing fundamental changes.

In the following paragraphs we discuss what might happen in the event that the military does decide to move against the Allende government,

Military intervention could come in a number of forms that would produce varying results.

Military Rule With Allende. A first possibility is that Allende would remain as President but the military would fill all cabinet and important sub-cabinet positions. Such a move could take place with or without the leadership of General Prats, and the military would maintain that no coup had taken place. Many UP supporters would lose their government jobs, however, and Allende would become little more than a figurehead.

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The Christian Democrats would support an arrangement of this kind because it would maintain a facade of constitutionality and would seem to guarantee that presidential elections, which the party is confident of winning, would be held as scheduled in 1976.

The National Party probably would support the arrangement, or at least not oppose it.

The Popular Unity parties would be infuriated, but they probably would defer action until it was clear what kind of policies the military planned to follow. It is more likely than not, however, that eventually the Socialists and Communists would turn to violent opposition.

Leftist extremist groups such as the Movement of the Revolutionary Left would militantly oppose such an arrangement from the beginning.

Complete Military Takeover. A second form of intervention -- an outright military coup that ousted Allende -- would risk immediate violence on the part of Popular Unity supporters in the defense of socialism and Allende. Even though not all government policies are avidly backed by supporters of the regime, Allende retains great personal popularity. More than this, a coup against Allende would be seen by the UP parties as the effective end of their role in the government.

The militant members of the Communist, Socialist, and Movement of the Revolutionary Left (MIR) street brigades and at least some of the recently armed workers probably would be willing to take on the armed forces despite the military's superior firepower.

The outcome of such a confrontation is uncertain -- neither side is prepared for a prolonged struggle. Assuming that the armed forces prevailed, there would still be strikes, demonstrations, and other forms of protest. Repressive measures would be necessary.

The Christian Democrats would support an all-military government only so long as elections were guaranteed. If the military showed signs of wanting

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to stay in power beyond 1976; Christian Democratic support would evaporate.

The conservative National Party's support for an all-military government would be less conditional.

Coup by Lower-Level Officers. A third possibility, holding the least promise of long-range success, would be a coup in which middle ranking officers acted independently of the military hierarchy. Such a move would encounter all the reactions noted above and would create divisions within the military.

The possible forms of military intervention discussed above have similar implications for the US.

Consequences of a Military Coup

Favorable for the US. An outright military takeover would have some benefits for the US. The first elected Marxist government in the Western Hemisphere would have ended in failure, and the successor government, while nationalistic, would be favorably disposed toward the US.

The demise of the Allende government would be a psychological setback to the cause of doctrinaire socialism in the hemisphere, even though the regime has not had the wide influence on other countries that many anticipated. A new government would almost certainly eliminate the subversive activities -- limited as they are -- being carried out against certain neighbors, and the free-wheeling operations of the Cuban embassy would be curtailed, if not stopped completely.

The military probably would try to find some face-saving device for settling the copper expropriation/compensation dispute with the US. It would, of course, be a largely symbolic settlement, intended to produce a political reconciliation, because Chile would still lack funds for any meaningful payment.

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All potential leaders of a move against Allende realize that, without prompt and large-scale support from the US, the new government could not survive.

The government probably would open the doors to private foreign investment, under specified conditions and perhaps only in "non-strategic" sectors of the economy. The government would not depart drastically, however, from the nationalist policies of its predecessors.

A military government probably would seek the assistance of the most highly qualified and least partisan civilian technicians available. It probably would ask former president Frei and other opposition leaders to recommend qualified individuals who have not been political activists.

After some, perhaps considerable, bloodletting, Chile could eventually achieve a greater measure of political and social stability than has been the case under Allende. This would depend on how skillfully the military handled the situation, and how successful they were in gaining popular support for their efforts to damp down political agitation and relieve economic distress.

Unfavorable Consequences. A number of consequences of a military coup would be less favorable for the US and for the internal stability of Chile.

The overthrow of the Popular Unity government by the military would not bring about a complete reversal of policies initiated by Allende. Indeed, a military government could even be instrumental in strengthening rather than reversing some socialist programs.

Socialism in Chile is based on widely held political beliefs and supported by a large part of the electorate. Many Christian Democratic programs are socialist in nature. The majority of military officers probably want to continue programs that are welfare-oriented and designed to distribute the nation's wealth more evenly. While the military does not favor the wholesale elimination of small- and medium-sized private industries, it has little quarrel with government takeover of basic industries.

Other actions of the Allende government simply are irreversible at this point. The most obvious of these is the expropriation of the US copper interests, which was approved by practically all political sectors and is regarded as an expression of national sovereignty. Another is the illegal takeover of farms, either by peasants or government agencies. The military knows that further seizures and expropriations must be stopped if farm production is to be increased, but a concerted attempt to remove those already occupying lands would be unlikely.

A new government would not find it easy to maintain public order and bring about economic recovery, its essential tasks. The armed action that would be needed to deal with recalcitrant supporters of the previous regime might have to be prolonged indefinitely, and it could escalate into a wide-ranging civil war. This danger would be enhanced under a new government headed by lower-level officers.

Under these repressive circumstances, necessary support, especially financial, from various foreign sources would be severely curtailed. In addition, the US would be expected to undertake a massive economic aid program to rescue Chile.

A military government would lack effective leadership even with the support of the most qualified technicians. Chilean military leaders are capable in their own fields but are not as politically minded as their Brazilian or even Peruvian counterparts. The difficulty they have experienced in formulating a coordinated plan to overthrow Allende provides a preview of the difficulties they might experience in ruling the country.

A military regime could not count on the continued support of groups that oppose the present government under all circumstances. Such support, however, would be essential in restoring stability. The Christian Democratic and National parties would not be likely to back the military if it appeared that their own interests were to suffer. Political

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support might well be conditioned on a military promise to adhere to a strict timetable for calling new elections, a promise the military might be unwilling to make. Some of these misgivings would be reduced if Allende remained as a constitutional president with greatly reduced powers in a military-dominated government of national reconciliation.